

## Message Text

UNCLASSIFIED

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70

ACTION EB-11

INFO OCT-01 EUR-25 EA-11 ADP-00 AID-20 CIAE-00 COME-00

FRB-02 INR-09 NSAE-00 RSC-01 TRSE-00 XMB-07 OPIC-12

CIEP-02 LAB-06 SIL-01 SAL-01 OMB-01 NSC-10 SS-14

STR-08 CEA-02 PA-03 PRS-01 USIA-12 RSR-01 /161 W

----- 015150

R 090937 Z MAR 73

FM AMEMBASSY TOKYO

TO SECSTATE WASHDC 2272

INFO AMEMBASSY BERN

AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY CANBERRA

AMEMBASSY THE HAGUE

AMEMBASSY LONDON

AMEMBASSY LUXEMBOURG

AMEMBASSY PARIS

AMEMBASSY ROME

AMEMBASSY STOCKHOLM

USEC USMISSION BRUSSELS

USOECN USMISSION PARIS

UNCLAS TOKYO 2819

PASS TREASURY AND FEDERAL RESERVE

E. O. 11652: N/A

TAGS: EFIN JA

SUBJ: TOKYO FOREX SITUATION - MAR 9

1. TOKYO FOREX MARKET REMAINED CLOSED FOR 7 TH CONSECUTIVE BUSINESS DAY TODAY. TOMORROW, MAR 10, BEGINS FIRST DAY OF REGULAR SATURDAY CLOSING OF TOKYO FOREX MARKET ORDERED BY GOJ FINANCIAL AUTHORITIES. THIS CHANGE WILL PUT TOKYO ON SAME FIVE- DAY WEEK AS EUROPEAN COUNTRIES.

2. AMONG FOREX DEALERS EXPECTATION IS THAT TOKYO MARKET UNCLASSIFIED

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WILL FIRST REOPEN TUES, MAR 13, FOLLOWING ASSUMED MONDAY  
OPENING OF EUROPEAN MARKETS.

3. SINCE OFFICIAL CLOSURE BY MOF OF TOKHO FOREX  
MARKET, NO PRIVATE FOREX TRADING ACTIVITY HAS BEEN ALLOWED.  
THIS DIFFERS FROM EUROPEAN SITUATION IN WHICH FOREX TRADING  
CAN BE CARRIED ON PRIVATELY IN SPITE OF CLOSURE OF OFFICIAL  
MARKETS. ALLOWANCE OF SUCH PRIVATE TRADING ACTIVITY AS IS  
CASE IN EUROPE NOW BEING CONTEMPLATED BY GOJ. HOWEVER, NO  
PROPOSALS SUBMITTED AS YET.

4. FOLLOWING MARKET CLOSE, MOF AUTHORITIES REQUESTED ALL  
MAJOR CITY BANKS TO LOOK AFTER THE FOREX NEEDS OF SMALL AND  
MEDIUM- SIZE BUSINESSES SO AS TO LESSEN HARDSHIPS CAUSED BY  
OFFICIAL MARKET CLOSING. AS A RESULT, CITY BANKS HAVE BEEN  
QUOTING THREE TYPES OF RATES DEPENDING UPON SITUATION.  
FIRST, FIRM BUYING RATES AT THE 255 LEVEL TO BEST CLIENTS  
WHO HAVE IMMEDIATE NEED FOR FOREIGN EXCHANGE UP TO A LIMITED  
AMOUNT ( APPROXIMATE MAXIMUM \$1 MIL). SECOND, PROVISIONAL  
RATES, TO BE ADJUSTED FOLLOWING MARKET OPENING, OF YEN 270  
( SELLING OF DOLLARS) AND YEN 260 ( BUYING OF DOLLARS) TO SMALL  
AND MEDIUM- SIZE CORPORATE CUSTOMERS OF GOOD QUALITY. THIRD,  
RATES OF APPROXIMATELY YEN 256 ( BUYING OF DOLLARS) AND YEN 264  
( SELLING OF DOLLARS) WITH A \$100 LIMIT PER PERSON TO  
INDIVIDUALS WISHING TO EXCHANGE CASH OR TRAVELERS CHECKS.  
AMERICAN EXPRESS, HOWEVER, CONTINUES TO BUY AND SELL  
THEIR OWN TRAVELERS CHECKS AT A RATE OF YEN 264.

5. THE TOKYO STOCK MARKET HELD RELATIVELY STEADY THROUGHOUT  
THE WEEK. THE DOW- JONES AVERAGE CLOSED AT 4987.43, DOWN  
SLIGHTLY FROM PREVIOUS FRIDAY' S CLOSE OF 5024.10. DAILY  
VOLUME WAS MODERATE, AVERAGING APPROXIMATELY \$122 MIL  
PER DAY.  
INGERSOLL

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\*\*\* Current Handling Restrictions \*\*\* n/a

\*\*\* Current Classification \*\*\* UNCLASSIFIED

## Message Attributes

**Automatic Decaptioning:** X  
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**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** n/a  
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**Disposition Approved on Date:**  
**Disposition Authority:** n/a  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
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**Subject:** TOKYO FOREX SITUATION - MAR 9  
**TAGS:** EFIN, JA  
**To:** BERN  
BONN  
BRUSSELS  
CANBERRA  
EB  
LONDON  
LUXEMBOURG

SECSTATE WASHDC  
THE HAGUE

**Type:** TE

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